

October 29, 2010

Ms. Marlene H. Dortch, Secretary Federal Communications Commission Office of the Secretary 445 12th Street, SW Washington, DC 20554 Jeffrey S Lanning Director- Federal Regulatory Affairs 801 Pennsylvania Ave., NW Suite 612 Washington, DC 20004

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EXPARTE NOTICE

Re: Special Access Rates for Price Cap Local Exchange Carriers, WC Docket No. 05-25.

Dear Ms. Dortch:

On behalf of CenturyLink, Jeb Benedict and I met with Jonathan Baker in the Office of Strategic Planning and Policy Analysis, and Nick Alexander, Pam Arluk, Michael Goldstein, Al Lewis, Kenneth Lynch, Betsy McIntyre, Pam Megna, Eric Ralph, Steve Rosenberg, and Marv Sacks of the Wireline Competition Bureau on October 28, 2010. We discussed the appropriate analytical framework for assessing competition in markets for high-capacity dedicated circuits including services sold as special access.

CenturyLink also discussed its experience in markets for high-capacity dedicated circuits. As CenturyLink has submitted on numerous prior occasions in this docket, the vast majority of CenturyLink's special access revenues and lines are provided under full price cap regulation, without the benefit of pricing flexibility. In addition, the vast majority of the revenue and circuits are associated with four or five large carriers with substantial purchasing power. In fact, less than 5% of CenturyLink special access revenues are derived from end users. Accordingly, purchasing power must be considered, and not only do special access services typically involve a single purchaser, but that purchaser is often larger than CenturyLink and accounts for a large share of traffic on CenturyLink's network in the area.

CenturyLink also explained that the Commission should evaluate competition from all alternatives that purchasers consider when ordering circuits. In addition, due to relationship-specific investments, customers typically issue requests for proposals (RFPs) and re-evaluate suppliers only occasionally, so the focus of competitive analysis should be on recently acquired customers rather than total market shares.

Pursuant to Section 1.1206(b) of the Commission's rules, one copy of this electronic notice is being filed in each of the above-referenced dockets. Please contact me if you have any questions or need anything else.

Sincerely,

Jeffrey S Lanning

cc: Jonathan Baker

Nick Alexander

Pam Arluk

Michael Goldstein

Al Lewis

Kenneth Lynch

Betsy McIntyre

Pam Megna

Eric Ralph

Steve Rosenberg

Mary Sacks

Your submission has been accepted

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Proceeding

Name Subject

05-25 In the Matter of Special Access Rates for Price Cap Local Exchange Carriers AT&T Corp. Petition for Rulemanking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services..

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